



BILLING CODE 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 19-26]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

ACTION: Arms sales notice.

SUMMARY: The Department of Defense is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Karma Job at karma.d.job.civ@mail.mil or (703) 697-8976.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 19-26 with attached Policy Justification and Sensitivity of Technology.

Dated: June 11, 2019.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

MAY 16 2019

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
11-209, The Capitol
Washington, DC 20515

Dear Madam Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 19-26 concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Republic of Korea for defense articles and services estimated to cost \$313.9 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,


Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology

Transmittal No. 19-26

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Republic of Korea

(ii) Total Estimated Value:

Major Defense Equipment*	\$292.4 million
Other	<u>\$ 21.5 million</u>
TOTAL	\$313.9 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

Up to ninety-four (94) Rounds of SM-2 Block IIIB Standard Missiles
Twelve (12) MK 97 MOD 0 Guidance Sections for SM-2 Block IIIB

Non-MDE:

Also included is technical assistance; training and training equipment; publication and technical data; and related logistics support, and other related elements of logistics and program support.

(iv) Military Department: Navy (KS-P-AMO and KS-P-AMR)

(v) Prior Related Cases, if any: KS-P-AHU, KS-P-AJA, KS-P-AJX, KS-P-ALM

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Annex Attached

(viii) Date Report Delivered to Congress: May 16, 2019

*As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Korea – SM-2 Block IIIB

The Republic of Korea (ROK) has requested to buy up to ninety-four (94) rounds of SM-2 Block IIIB Standard Missiles and twelve (12) MK 97 MOD 0 Guidance Sections for SM-2 Block IIIB. Also included is technical assistance: training and training equipment; publication and technical data; and related logistics support, and other related elements of logistics and program support. The total estimated program cost is \$313.9 million.

This proposed sale will support the foreign policy and national security objectives of the United States by meeting the legitimate security and defense needs of one of the closest allies in the INDOPACOM Theater. The Republic of Korea is one of the major political and economic powers in East Asia and the Western Pacific and a key partner of the United States in ensuring peace and stability in that region.

The ROK Navy intends to use the SM-2 Block IIIB to supplement its existing inventory. The proposed sale will provide a defensive capability while enhancing interoperability with U.S. and other allied forces. The Republic of Korea will have no difficulty absorbing these additional missiles into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The prime contractor will be the Raytheon Missile Systems Company, Tucson, Arizona. There are no known offset agreements proposed in connection with this potential sale. Any offset agreement will be defined in negotiations between the Purchaser and the prime contractor.

Implementation of the proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to the ROK. However, U.S. Government or contractor personnel in-country visits will be required on a temporary basis in conjunction with program technical oversight and support requirements.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 19-26

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The SM-2 Block IIIB Standard Missile consists of a Guidance Unit, Dual Thrust Rocket Motor, Steering Control Unit, and Telemeter with omni-directional antenna. The proposed sale will result in the transfer of sensitive technology and information as well as classified and unclassified defense equipment and technical data. The hardware and installed software is classified SECRET. Training documentation is classified CONFIDENTIAL. Shipboard operational/tactical employment is generally CONFIDENTIAL, but includes some SECRET data. The all-up round Standard Missiles are classified CONFIDENTIAL. Certain operating frequencies and performance characteristics are classified SECRET.

2. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

3. A determination has been made that the recipient government can provide substantially the same degree of protection for the technology being released as the U.S. Government. This sale supports the U.S. foreign policy and national security objectives as outlined in the Policy Justification.

4. All defense articles and services listed in this transmittal have been authorized for release and export to the Republic of Korea.

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